

Credit for Increasing Research Activities

► Attach to your tax return.

2005Attachment
Sequence No. **81**

Name(s) shown on return

Identifying number

Part I Current Year Credit (Members of controlled groups or businesses under common control, see instructions.)**Section A—Regular Credit.** Skip this section and go to Section B if you are electing or previously elected the alternative incremental credit.

1	Certain amounts paid or incurred to energy consortia after August 8, 2005 (see instructions)	1	
2	Basic research payments to qualified organizations (see instructions)	2	
3	Qualified organization base period amount	3	
4	Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Wages for qualified services (do not include wages used in figuring the work opportunity credit)	5	
6	Cost of supplies	6	
7	Rental or lease costs of computers (see instructions)	7	
8	Enter the applicable percentage of contract research expenses (see instructions)	8	
9	Total qualified research expenses. Add lines 5 through 8	9	
10	Enter fixed-base percentage, but not more than 16% (see instructions)	10	%
11	Enter average annual gross receipts (see instructions)	11	
12	Multiply line 11 by the percentage on line 10.	12	
13	Subtract line 12 from line 9. If zero or less, enter -0-	13	
14	Multiply line 9 by 50% (.50)	14	
15	Enter the smaller of line 13 or line 14	15	
16	Add lines 1, 4, and 15	16	
17	Regular credit. If you are not electing the reduced credit under section 280C(c), multiply line 16 by 20% (.20), enter the result, and see the instructions for the schedule that must be attached. If you are electing the reduced credit, multiply line 16 by 13% (.13) and enter the result. Also, write "Sec. 280C" on the dotted line to the left of the entry space. Go to Section C	17	

Section B—Alternative Incremental Credit. Skip this section if you completed Section A.

18	Certain amounts paid or incurred to energy consortia after August 8, 2005 (see the line 1 instructions)	18	
19	Basic research payments to qualified organizations (see the line 2 instructions)	19	
20	Qualified organization base period amount (see the line 3 instructions)	20	
21	Subtract line 20 from line 19. If zero or less, enter -0-	21	
22	Multiply line 21 by 20% (.20)	22	
23	Wages for qualified services (do not include wages used in figuring the work opportunity credit)	23	
24	Cost of supplies	24	
25	Rental or lease costs of computers (see the line 7 instructions)	25	
26	Enter the applicable percentage of contract research expenses (see the line 8 instructions)	26	
27	Total qualified research expenses. Add lines 23 through 26.	27	
28	Enter average annual gross receipts (see the line 11 instructions)	28	
29	Multiply line 28 by 1% (.01)	29	
30	Subtract line 29 from line 27. If zero or less, enter -0-	30	
31	Multiply line 28 by 1.5% (.015)	31	
32	Subtract line 31 from line 27. If zero or less, enter -0-	32	
33	Subtract line 32 from line 30	33	
34	Multiply line 28 by 2% (.02)	34	
35	Subtract line 34 from line 27. If zero or less, enter -0-	35	
36	Subtract line 35 from line 32	36	
37	Multiply line 33 by 2.65% (.0265)	37	
38	Multiply line 36 by 3.2% (.032)	38	
39	Multiply line 35 by 3.75% (.0375)	39	
40	Add lines 18, 22, 37, 38, and 39.	40	
41	Alternative incremental credit. If you are not electing the reduced credit under section 280C(c), enter the amount from line 40, and see the line 17 instructions for the schedule that must be attached. If you are electing the reduced credit, multiply line 40 by 65% (.65) and enter the result. Also, write "Sec. 280C" on the dotted line to the left of the entry space	41	

Section C—Current Year Credit for Increasing Research Activities

42	Pass-through research credit(s) from a partnership, S corporation, estate, or trust	42		
43	Current year credit. Add line 17 or line 41 to line 42, and go to Part II	43		

Part II Allowable Credit (See **Who must file Form 3800** to find out if you complete Part II or file Form 3800.)

44	Regular tax (see instructions)	44		
45	Alternative minimum tax (see instructions)	45		
46	Add lines 44 and 45	46		
47a	Foreign tax credit	47a		
b	Credits from Form 1040, lines 48 through 54	47b		
c	Possessions tax credit (Form 5735, line 17 or 27)	47c		
d	Nonconventional source fuel credit (Form 8907, line 23)	47d		
e	Other specified credits (see instructions)	47e		
f	Add lines 47a through 47e	47f		
48	Net income tax. Subtract line 47f from line 46. If zero, skip lines 49 through 52 and enter -0- on line 53	48		
49	Net regular tax. Subtract line 47f from line 44. If zero or less, enter -0-	49		
50	Enter 25% (.25) of the excess, if any, of line 49 over \$25,000 (see instructions)	50		
51	Tentative minimum tax (see instructions)	51		
52	Enter the greater of line 50 or line 51	52		
53	Subtract line 52 from line 48. If zero or less, enter -0-	53		
54	Credit allowed for the current year. Individuals, estates, and trusts: Enter the smallest of line 43, line 53, or the amount from the formula in the instructions for line 54 here and on Form 1040, line 55; or Form 1041, Schedule G, line 2c. Corporations: Enter the smaller of line 43 or line 53 here and on Form 1120, Schedule J, line 6d; Form 1120-A, Part I, line 2; or the applicable line of other returns. If line 54 is smaller than line 43, see instructions	54		